

Scully, Gerald W. *The Business of Major League Baseball*. Chicago: University of Chicago Press, 1989. Pp. \$24.95.

Preceded by lavish pre-publication praise, some rivaling that which attended General William Booth's entry into heaven, the University of Chicago Press released this work in 1989. Judging by its adulatory sendoff, the publishers seemed sanguine that a major breakthrough in baseball research was at hand. One tout heralded Scully as "the father of free agency" for having authored a 1974 article which found the reserve clause to be a player salary depressant. Another credited Scully for exorcising the "dismal science" rap that economists have carried like Marley's chain for two centuries. And conservative pundit George Will magisterially proclaimed the work to be an adroit mix of economics and history. Indeed, the din from the chorus would have stifled any assenting or dissenting voice from a burning bush.

The author, who shoulders the task of living up to such plaudits, is Professor of Management at the Dallas campus of the University of Texas. Although this is his first book on major league baseball, he has previously written articles on such topics as player pay and performance, the measurement of managerial efficiency, the economics of race discrimination in baseball, and on binding

salary arbitration. Expanded and updated, these four articles comprise four of the book's eleven chapters.

Such piece-meal inclusions make for a topical organization of a book which is by no means a systematic business study of the major league baseball industry. Constituencies like ballpark fans, league presidents, general managers, lesser club administrators, umpires, and the sporting press are not discussed. Thus, the author examines selected aspects of the major league baseball enterprise in order to demonstrate the importance of his economics approach.

Like Caesar's Gaul, the work is divided into three major parts. The first section presents an overview of the major economic issues embedded in the game's history. Thus, major league baseball is viewed as a unique, but inefficient cartel, with clubowners colluding to enforce their monopoly by imposing binding rules on member clubs and on players, whose freedom to contract is restricted by the reserve clauses in their contracts. The efforts of players to escape such restrictions is effectively examined only in the years following the 1975 Seitz decision which circumvented the reserve clause. Later chapters in this section examine the impact on league operating rules on team and player performances and also the distribution of team playing strengths. Although the author is mindful of the woeful lack of competitive balance over the years, he seems not to appreciate the psychological boost given to teams and fans by the adoption of the divisional format in 1969. Clearly the divisional races have given new focus to the idea of competitive balance.

In the second section of the book the business of baseball is examined from the perspective of revenues flowing from ticket sales and broadcast fees. Focusing mainly on the years since World War II, the author concludes that ticket prices have remained low, given the press of inflation, but are still fixed with an eye toward maximizing revenues. Concerning TV revenues, the author states that most fans now see baseball on TV and that national TV revenues contribute mightily to the appreciation of franchises. And the steady increase of franchise values convinces the author that baseball is a profitable venture, especially since owners benefit from tax shelter features and also use their baseball connection to boost outside business ventures.

The third section explores such matters as the pay and performances of players, race discrimination and salaries, and the economic worth of managers. Among other conclusions the author finds that players always have been underpaid and that the millionaire players of the 1980s are not underpaid. However, his performance measuring device of fixing on slugging prowess and the strikeout to walk ratio for pitchers is limited. As for the economics of race discrimination, Scully finds that by the 1980s black players were no longer victims of salary discrimination. However, black players continue to be excluded from pitching ranks and key infield positions. And since most managers arose from the ranks of such key infield positions, this accounts for the scarcity of black players in managerial and coaching ranks.

Concerning team managers, Scully is persuaded that a great manager is

worth as much to his team as a star player; moreover, he thinks that all managers are underpaid. To the author victories determine a manager's greatness. With the aid of an arcane chart (p.183), Scully explains his approach to judging managerial quality in a phrase of Stengelian somnolence: "Managers that fail to attain the most wins possible for their input of playing skill lie to the northeast of the frontier unit isoquant along rays through the origin O." For non-cliometric historians, the findings translate into the well-known fact that the most successful managers of the 1961-80 era included Walter Alston, Earle Weaver, and Sparky Anderson!

Indeed, most of Scully's conclusions are familiar ones for working baseball historians and well-read fans. Nor does the author's bibliography reveal any significant new material. His most effective work bears on the decade of the 1980s; of the seventy-odd tables and charts that appear, fully a third cover the 1980s. Another 27 deal with the 1947-1987 span and only 16 cover the full sweep of major league history (1876-present). Most of the charts are based on material derived from the Macmillan Encyclopedia. While historians will welcome these projections, the pedestrian style of writing, unrelieved by wit or humor, makes for a taxing ordeal.

But if sports historians, especially those desensitized by student term papers, may forgive dull writing, they are sure to blanch at the voodoo history that results in a spate of historical errors. In a blatant gaffe the author contends that the major leagues used wooden-centered balls throughout the 19th century and beyond. One can only wonder what blockhead furnished that bit of disinformation. Suffice it to say, that India-rubber centered balls were used during the period and that the rubber-cushioned, cork-centered ball has been used since 1926. Moreover, there is no factual basis for the author's assertion that in 1920 the major leagues "certified" the use of lively balls.

Among other errors of commission the author's discussion of 19th century baseball furnishes enough examples to belie the claim that the work adroitly blends history and economics. In reviewing the National Association era (1871-75) Scully errs in saying that no season of play was hotly contested, and by confusing the Boston Red Stockings with the Boston Red Sox. And in scoffing at the Red Stockings' low profits of 1874, he fails to consider the financial losses sustained by the team's unprofitable mission to Britain. Nor does he mention the mitigating fact that the Association was a player-run circuit.

In discussing the game of the 1880s the author errs in stating that the reserve clause was secretly introduced in 1879, and that the majors faced a severe talent shortage during the decade and beyond. Rival major league incursions belie the talent scarcity claim, but these are largely ignored as is the dual major league format of the 1880s.

The author's discussion of the causes of the Players League War of 1890 is marred by his contention that the reserve clause was not a major *casus belli*. By slighting Ward's dogged opposition to the clause, Ward's status as the father of free agency is denigrated and the author's gossamer pretention is enhanced.

The monopolistic big league of the 1890s is inadequately treated and Scully is dead wrong in asserting that all clubs belonged to various syndicates. Nor did the National League clubs form a syndicate in 1901 as the author avers; rather, Andrew Freedman's trust proposal never came to pass so that it is wrong to state that Albert Spalding ended the trust in 1902.

Other errors include the disputed claim that Commissioner Landis ruled the game with a firm hand or that Peter Ueberroth was the strongest Commissioner since Landis. Certainly Happy Chandler displayed a firmer hand during his brief term. Moreover, at one point Scully lumps the *Gardella v. Chandler* suit with a list of Supreme Court decisions affecting baseball.

Among other errors of omission the author fails to account for changing policies governing the division of gate receipts over the years. And events and policies are often discussed with no dates of inception supplied. Thus, in cases like the rookie draft or the recent playing roster cutback the reader is left in the dark as to the beginnings of such trends.

These and other historical errors obscure the book's merits. Surely baseball historians will welcome Scully's clarification of the economic issues confronting the game in the 1980s. But the book is far from being the definitive book on the economics of baseball. The cause of baseball research has need of economist-interpreters who can credibly utilize the insights of historians and other students of the game. It would seem that such an effort must come from an economist well versed in the Veblenian tradition of institutional economics.

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